

HEALTH CARE REFORM

AARP ISSUE BRIEF

Date

-14-09

Bill No.

N/A

BACKGROUND

Comprehensive reform to provide health security to all Americans is a priority for AARP's 40 million members. The current health system costs too much, wastes too much, makes too many mistakes, and too often returns little value for our money. Access to affordable coverage is increasingly difficult—especially for AARP's 50- to 64-year-old members who are among the fastest growing groups of uninsured. Even those with Medicare are struggling to keep up with rapidly rising premiums and out-of-pocket costs that threaten their health and financial security.

AARP believes that all of us—individuals, providers, purchasers, insurers, and government—have a role to play in health reform. Congress and the new Administration must work together on comprehensive reform to bring down costs, improve quality, and ensure that all Americans have access to coverage.

LEGISLATIVE ACTION

Improving Health Care Access, Quality, and Affordability: AARP calls on Congress to ensure all Americans have access to adequate health coverage by:

- Ensuring that all people, including those age 50-64, have access to affordable coverage regardless of any pre-existing health conditions;
- Improving Medicare by strengthening the Part D prescription drug benefit, providing better coordination with Medicaid for dual eligibles, and revising payment systems to promote high quality care while containing costs by eliminating ineffective care;
- Enacting health information technology legislation that has enormous potential to improve the quality and efficiency of care;
- Promoting other delivery system reforms to improve quality, such as value-based purchasing and “medical homes” that help people get the timely, up-to-date, and coordinated care they need;
- Enacting legislation to create an independent nonprofit entity to identify the most effective treatments and publicly disseminate the results, as in the Comparative Effectiveness Research Act of 2008 (S. 3408);
- Requiring insurers to provide a standard basic benefits package, including primary and specialty care; chronic care coordination; and coverage for hospitalization, rehabilitation, emergency care, mental health, and drugs; and
- Strengthening the State Children's Health Insurance Program (SCHIP), which provides essential help to many AARP members raising grandchildren, offers cost-effective coverage of children that will have substantial long-term benefits to our health care system and society, and is an important building block in the effort to reform our overall health care system.

Legislative Models: Congress has already made substantial progress on many bills addressing these and other priorities, and should ensure that these efforts are included in legislation this year. For example, Congress should:

- Help more low-income Americans in Medicare by supporting legislation to raise the asset limits for the Part D low-income subsidy, as in the Part D Equity for Low-Income Seniors Act (S. 1102), and the Prescription Coverage Now Act (H.R. 1536), and similarly make improvements to Medicare Savings Programs that help with Medicare Part B cost sharing obligations;

- Promote the use of effective and less costly medications and treatments, such as generic drugs. For example, AARP has endorsed the Access to Life-Saving Medicine Act (S. 623/ H.R. 1038), to create a much needed pathway for approval of safe, generic biological products and the Pharmaceutical Market Access and Drug Safety Act of 2007 (S. 242/ H.R. 380) to allow for safe re-importation of drugs;
- Help small businesses and their many uninsured employees by enacting legislation like the Small Business Health Options Program (SHOP) Act (S. 2795/ H.R. 6210), which would enable small business owners to establish nationwide purchasing pools and negotiate lower premiums while preserving state consumer protections;
- Pass legislation like the Healthy Workforce Act (S. 1753/ H.R. 3717), which would help ensure that health insurance policies promote wellness, preventive care, and healthy behaviors—critical elements in controlling costs and improving the quality of care;
- Further improve and promote prevention, healthy behaviors, and management of chronic conditions by passing legislation like the Independence at Home Act (S. 3613/ H.R. 7114); and
- Address the shortage of primary care physicians and nurses by passing legislation like the Caring for an Aging America Act (S. 2708/ H.R. 6337), which would help ensure an adequate and well-trained workforce.

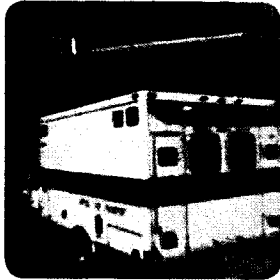
THE COST OF DOING NOTHING

Our country—individuals, employers, and government—cannot afford to keep our broken health care system. Current cost escalation is unsustainable. According to the Congressional Budget Office, total spending on health care will rise from 16 percent of GDP in 2007 to 25 percent in 2025 and 49 percent in 2082. That is a price tag we cannot afford.

Health care reform must be a top priority for our nation—because our nation's health security is our economic security. On behalf of our more than 40 million members, we are committed to working with the new Administration and Congress to ensure that all Americans have access to affordable, quality health care.



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Elements That Must Be Part of Health Care Reform

We believe all Americans share a basic need: Access to quality health care that is affordable enough for individuals, businesses, and society to sustain improvements in health and our financial security for future generations.

We believe that with leadership from the White House, Congress must develop a national approach to health care reform that upholds the pillars of quality, access and affordability. For this to happen, Congress needs to act on the following priorities:

Expand Access to Coverage

- Put consumers at the heart of any new approach.
- Build upon the strengths of the employer-based system, while providing new mechanisms and markets for coverage.
- The tax treatment of health care benefits should be fair.
- Ensure the neediest populations have an adequate safety net and subsidies to make coverage affordable.
- Place children first by building on State Children's Health Insurance Program (SCHIP) and its important safety net role.
- Promote personal responsibility through the wide availability of affordable and meaningful plan choices.
- Spread the benefits of risk-pooling to all consumers.

Improve Affordability, Value and Health Outcomes

- Encourage preventive care and wellness programs to save lives, improve productivity, safeguard health and lower costs. Prevention and wellness must begin in childhood and must be promoted in families, schools, communities, and workplaces.

- Provide more information to help consumers manage their own health through healthy lifestyles and disease prevention.
- Advance health information technology to create uniform interoperable standards that improve the quality of care and decrease overall health care costs.
- Reward care that is recommended by evidence, coordinated, and delivered in appropriate settings by clinicians who are engaged in ongoing efforts to measure and improve outcomes.
- Provide coverage to the uninsured and improve the value by reducing the shifting of uncompensated care costs, by improving the productivity of the workforce, and by reducing the burden of untreated chronic disease in the public and private programs.

Increase Quality and Efficiency

- Coordinate care to fulfill patients' needs and desires and to improve the delivery of health care services.
- Inform consumers with accessible, understandable and readily available data on health care quality, costs and outcomes at the level of individual providers, systems of providers, and health plans.
- Modernize reimbursement policies of both public and private payers to promote more integrated care, and reward higher quality care and better outcomes.
- Research the comparative effectiveness of all aspects of the health care system and make the results publicly available.
- Improve accuracy and fairness of payments in public programs and create incentives across all payers for efficiency and quality.
- Develop specific payment strategies to improve the delivery of care for patients with multiple chronic conditions, including patients in the last six months of life.



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